

**MINUTES
COMMUNITY DEVELOPMENT REVOLVING LOAN FUND
LOAN COMMITTEE**

**Tuesday, August 29, 2017
Room 207, City Hall, 1:30 p.m.**

ROLL CALL:

Gary Delveaux	x	Ald. Tom De Wane	x
Matt Schueller	x	Mike Borlee	x

Others Present: Wendy Townsend, Matt Buchanan, Economic Development; Robert and Catherine Stahl, ZoZo World LLC; Garritt Bader, Tony Ehrbar, GB Real Estate Investments, LLC; Tommy Everman, Gather on Broadway, LLC

The meeting was called to order by G. Delveaux at 1:30 p.m. All members were present as indicated above.

1. Approval of minutes from December 9, 2016 meeting.

A Motion to approve the minutes of the December 9, 2016 meeting of the Revolving Loan Fund Committee made by M Borlee, seconded by M. Schueller. Motion carried.

2. Review the status of outstanding loans.

A Motion was made to receive and place the report on file made by M. Schueller, seconded by M. Borlee. Motion carried.

3. Review and action on a CD-RLF loan application from ZoZo World LLC dba ZoZo Kitchen LLC and ZZQ, LLC.

W. Townsend stated that the City is reviewing a loan application for Revolving Loan Funds for ZoZo World, LLC dba ZoZo's Kitchen LLC and ZZQ, LLC. ZoZo LLC is requesting \$17,200 to be used towards the purchase of property at 1035 Vanderbraak Street, Green Bay (Parcels 20-350, 20-381, 20-382 and 20-383) and a \$35,000 working capital loan.

Robert and Catherine Stahl have a traveling BBQ catering business that they started in 2015. Since that time they have experienced substantial growth and are in need of additional refrigeration and preparation space for their expanding business. They would like to purchase the property at 1035 Vanderbraak Street (formerly the Eagles Fraternity building) to remodel for their expanding business. Future expansion ideas include the ability to buy in bulk with larger storage areas for their traveling catering business, BBQ

restaurant and a future banquet hall. Mr. Stahl has an electrical business at this time but is looking to follow his life-long passion and family heritage of owning a restaurant business. He brings experience and family support for this project.

The staff recommends granting this request for CD-RLF funds to purchase the property at 1035 Vanderbraak Street to expand their growing business.

A Motion was made to suspend the rules made by M. Borlee, seconded by Ald. De Wane. Motion carried.

R. Stahl stated that he would like to revitalize the building by making it look younger, fresher and start maximizing the space for the community at 1035 Vanderbraak Street. C. Stahl added they plan to grow their business in phases. The initial phase would be ZoZo catering, then rehab the bar, rehab restaurant and then eventually adding the banquet hall for larger groups.

A motion to return to regular order was made by M. Borlee, seconded by M. Schueller. Motion carried.

After much discussion, questions answered and the Committee's review of the financial information submitted, a motion was made by Ald. DeWane, seconded by M. Schueller and unanimously carried to provide two separate loans to ZoZo World LLC dba ZoZo Kitchen LLC and ZZQ, LLC under the following terms and conditions:

- The **first** loan of \$17,200 to be used towards the down payment of property located at 1035 Vanderbraak St. Green Bay, WI 54301.
- The loan will have a four percent fixed interest rate for the 15 year period.
- Creation of one full-time equivalent (FTE) position will be made available to a person in a low/moderate income household.
- All loan proceeds will be secured with a mortgage on the property and a personal guarantee of the borrowers.
- The **second** loan of \$35,000 that will be used for working capital.
- The loan will have a five percent fixed interest rate for the 3 year period.
- Creation of one full-time equivalent (FTE) position will be made available to a person in a low/moderate income household.
- All loan proceeds will be secured with a mortgage on the property and a personal guarantee of the borrowers.

4. Review and action on a CD-RLF loan application from 929 Cedar LLC.

W. Townsend stated 929 Cedar LLC is requesting a loan in the amount of \$250,000 of CD-RLF funds to help with the funding gap for the purchase of 929 Cedar St. The total cost for this project is \$900,000. Bank First National will be lending \$500,000 to the project, the investors, Garritt Bader, Eric Jandrin, Jeff Vogt, Andy Heyrman will be adding \$150,000 as personal equity leaving the CD-RLF filling the gap of \$250,000. The terms of the CD-RLF will be for 4% for a term of 15 years. The City will take a mortgage on 929 Main St. as our security. N.E.W. Tent Manufacturing will be the primary tenant at 929 Cedar St. and will be the primary source for creating the jobs requirement for this loan.

The staff recommends granting this request for CD-RLF funds for the purchase of property at 929 Cedar Street.;

A Motion was made to suspend the rules made by M. Borlee, seconded by M. Schueller. Motion carried.

T. Ehrbar stated he is a tent manufacturing tent rental business and moving into this new facility, N.E.W. Tent Manufacturing will be able to manufacture year long. They had only 7,000 sq. ft. at their previous location in Howard and not enough space to store tents, but now they can keep six employees on full-time as opposed to lay them off during the winter months. N.E.W. Tent manufacturing will be primary tenant leasing one third of the space, the Oilerie will take over the largest location at 12,000 sq. ft. and a box company is locked in for a five year lease and another 3,000 sq. ft. location is available.

A Motion to return to regular order was made by M. Borlee, seconded by M. Schueller. Motion carried.

After the Committee's review of the financial information submitted, a motion was made by M. Borlee, seconded by M. Schueller and unanimously carried subject to appraisal to provide a loan to 929 Cedar LLC. Under the following terms and conditions:

- The Loan is for \$250,000 for the purchase of the property located at 929 Cedar St., Green Bay, WI 54301.
- The interest rate will be at 4% amortized over 15 years and will be in a second position behind Bank First National.
- Create the equivalent of 7.4 full-time positions, 4 will be made available to low-to-moderate income individuals.
- The City of Green Bay will have a security agreement and personal guarantee on the loan.

5. Reconsideration of terms for CD-RLF loan to Cineviz, LLC.

W. Townsend stated that Scott Koffarnus called today from Cineviz to postpone the reconsideration of terms until the next CD-RLF meeting and he is considering other options.

A motion was made by Ald. De Wane, seconded by M. Schueller and carried to hold the agenda item until the next CD-RLF meeting. Motion carried.

6. Reconsideration of terms of CD-RLF loan to Gather on Broadway, LLC.

W. Townsend stated Gather on Broadway, LLC is requesting to have their loan terms modified to include a 12 month interest only period for the next 12 months starting in October 2017.

Gather on Broadway, LLC currently has two loans, one for \$117,000 that was used to purchase restaurant equipment which is at an interest rate of 4% amortized over 10 years and a second loan for \$132,000 that was used for property acquisition at an interest rate of 4% amortized over 15 years.

Gather on Broadway, LLC is experiencing steady growth in its first year in its unique, urban event space located in the Historic Broadway Business District. Their modern flair large event space has been hosting small and large events in the downtown with great success. With his growth, they are finding that additional funds are being required to meet their growing demands for daily operations. Twelve months of interest only payment would allow them to reinvest funds into their events based business. Gather on Broadway, LLC is current with all payments and has met or exceeded all employee requirements of the terms of these loans within the first 6 months of operation.

The staff recommends granting this request for interest only for CD-RLF funds on both loans for one year for Gather on Broadway, LLC.

After much discussion and questions answered from Tommy Everman, a motion was made by M. Borlee, seconded by Ald. De Wane to approve the one year interest only on both loans for Gather on Broadway, LLC. Motion carried.

7. Adjourn

There being no further business, a motion to adjourn was made by Ald. De Wane, seconded by M. Borlee. Motion carried.